

7/11/11

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# FISCAL NOTE

Revised on 4/13/11 to reflect amendments adopted through 4/12/11.

## LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2011-12		FY 2012-13	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS	\$51,273		\$51,273	
FEDERAL FUNDS	\$95,224		\$95,224	
OTHER FUNDS				
TOTAL FUNDS	\$146,495		\$146,495	

\*Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

LB 204 requires blood lead testing of students prior to enrolling in kindergarten in a public, private, denominational or parochial school on or after July 1, 2012. The Department of Health and Human Services (HHS) is to develop rules and regulations relating to blood lead testing. School districts are to inform families prior to the date of school registration of the blood lead testing requirements. HHS is to notify parents or guardians of the availability of special education services and of contact information for Nebraska ChildFind if a child's blood-lead level is in excess of a certain amount.

The bill will minimally increase the workload of HHS to develop rules and regulations. The department indicates the development of the rules can be accomplished with existing staff and resources. The department will also incur a workload increase to provide notification to parents of the availability of special education services and other resources. HHS has access to a registry showing this information, so it is assumed the department can handle notifications with existing staff. School districts are already required to inform families about required immunizations prior to school enrollment, so the required notification regarding blood lead testing should not have a fiscal impact for schools.

The bill provides for the cost of blood lead testing to be borne by families except in the case of children who are participating in Medicaid or CHIP. The cost of blood lead testing for children participating in Medicaid or CHIP is to be paid by HHS from funds appropriated from the Nebraska Health Care Cash Fund.

Statistics from HHS show a total of 147,000 children were Medicaid eligible or in the CHIP program in 2010 which is approximately 44% of total student membership. There are about 25,000 children entering kindergarten on an annual basis. HHS indicates the department currently pays for blood testing to determine lead levels for about 2,740 children. The cost of a lab test is \$17.65.

It is assumed that blood lead tests for 8,300 children will be covered by HHS pursuant to the bill based upon: 25,000 kids in kindergarten each year x 44%, minus the number of tests currently being paid for by HHS. This is the estimated number of children on Medicaid or in CHIP that will be tested annually pursuant to the bill. The estimated fiscal impact for lab tests is \$146,495 (\$51,273 Cash, \$95,224 Federal) to test 8,300 children in FY 2011-12 and FY 2012-13.

The fiscal impact is based upon assuming that medical personnel will not sign statements allowing children to opt out of testing. HHS assumes that medical personnel will not sign a statement verifying that children are at low risk due to the stringent requirements in the bill to verify such status. It is also assumed that physicians will order the tests as medically necessary in order for Medicaid to cover the cost of the test.